

Blackpool Council – Children’s Services

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER)/ OVER £000	
CHILDREN'S SERVICES						
NET EXPENDITURE						
LOCAL SCHOOLS BUDGET - ISB	20,702	18,913	1,868	20,781	79	-
LOCAL SCHOOLS BUDGET - NON DELEGATED	447	454	7	461	14	-
LIFELONG LEARNING & SCHOOLS	21,983	16,056	6,042	22,098	115	-
EARLY HELP FOR CHILDREN AND FAMILIES	297	157	91	248	(49)	-
CHILDREN'S SOCIAL CARE	116	96	20	116	-	-
BUSINESS SUPPORT AND RESOURCES	368	286	82	368	-	-
DEDICATED SCHOOL GRANT	(44,721)	(38,045)	(6,535)	(44,580)	141	-
CARRY FORWARD OF DSG	(192)	-	(492)	(492)	(300)	-
TOTAL DSG FUNDED SERVICES	(1,000)	(2,083)	1,083	(1,000)	-	-
CHILDREN'S SERVICES DEPRECIATION	3,236	2,696	540	3,236	-	-
LIFELONG LEARNING & SCHOOLS	3,768	1,513	2,304	3,817	49	-
EARLY HELP FOR CHILDREN AND FAMILIES	3,860	938	2,565	3,503	(357)	-
CHILDREN'S SOCIAL CARE	24,750	24,268	5,914	30,182	5,432	-
CHILDREN'S SAFEGUARDING	1,498	998	525	1,523	25	-
BUSINESS SUPPORT AND RESOURCES	1,906	1,323	556	1,879	(27)	-
LOCAL SERVICES SUPPORT GRANT	-	(16)	(3)	(19)	(19)	-
EDUCATION SERVICES GRANT	(874)	(599)	(192)	(791)	83	-
TOTAL COUNCIL FUNDED SERVICES	38,144	31,121	12,209	43,330	5,186	-
TOTAL CHILDREN'S SERVICES	37,144	29,038	13,292	42,330	5,186	-

Commentary on the key issues:

Directorate Summary – basis

- The Revenue summary (above) lists the latest outturn projection for each individual service within the Children’s Services Directorate against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 10 months of 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

Dedicated Schools Grant Funded Services

- The Dedicated Schools Grant (DSG) is the funding stream that supports the Schools Budget, which includes amounts that are devolved through the Individual School Budget (ISB), together with centrally-retained pupil-related services as listed in the revenue summary. Any under or overspends against services funded by the DSG will be carried forward to 2017/18 and, in the case of overspends, become the first call on the grant in that year.

Lifelong Learning and Schools

- Due to increased demand, there is a forecast overspend on the Special Educational Needs Transport budget of £188k, partly offset by various small underspends in other areas of the division to give an overall overspend of £49k.

Early Help for Children and Families

- The Early Help division is forecasting a £357k underspend due to staff vacancies and a saving on the Domestic Abuse contract.

Children's Social Care

- Several commissioning reviews took place during the first half of the financial year and progress has been made against the challenging £1.222m 2016/17 PLB savings target that was applied to the Children's Social Care division. There is a forecast shortfall of £645k due to the ongoing implementation of the review recommendations.
- Additional in-year service pressures, as described below, relating to placements, legal costs and other miscellaneous overspends amount to £4.787m giving a total forecast overspend for the division of £5.432m.
- The number of Looked After Children (LAC) in Blackpool has increased by over 15% in the last year and, exceeding 500 for the first time, the last few months have seen the highest ever levels in the town. The number of open cases, which is currently in excess of 2,000, has also reached record levels. These pressures in the system reflect national trends, with the Children and Family Court Advisory and Support Service (Cafcass) reporting a 16% increase in care applications between July 2015 and July 2016. At a local level, significant and unusual anti-social behaviour patterns emerged in the town in the early part of the financial year, which ultimately resulted in several new residential placements with extensive therapeutic support being required in many cases.
- The Deputy Director of Children's Services carried out an audit of all new admissions into care between April and June 2016 which confirmed that all the children were brought into the system appropriately. Only one of these new placements was due to a family moving into the Blackpool area.
- January 2017 has seen the commencement of 5 new residential placements at a forecast cost of £135k until the end of the financial year, and the movement of two young people into more expensive placements at a forecast cost of £82k. Overall, changes to external placements have created total new cost pressures in the division of over £300k, and are the primary reason for the increase in the directorate's forecast overspend between December and January.
- Average placement costs have continued to increase, and this is partly due to a shortage of quality providers which is being seen nationally as highlighted in Martin Narey's recent government-commissioned report, Residential Care in England. This creates significant commissioning challenges in terms of negotiating weekly placement rates that offer value for money.

- A breakdown of the budgeted, current and projected placements is shown in the table below:

IFA budgeted numbers (fte)		65.0
IFA current (headcount)		93.0
IFA projected numbers (fte)		80.0
Increased numbers pressure	£	788,700
Increased placement rate pressure	£	21,915
Independent Fostering Agency Over Spend	£	810,615
Resi budgeted numbers (fte)		20.0
Resi current numbers (headcount)		40.0
Resi projected numbers (fte)		35.0
Increased numbers pressure	£	2,399,760
Increased placement rate pressure	£	782,495
Residential Over Spend	£	3,182,255
Total Placement Over Spend	£	<u>3,992,870</u>

- In addition to placement pressures, there is a forecast overspend of £289k on the legal and court fees budget. Despite the fact that Blackpool invests more in advocacy services, and has consequently seen less of a spike in care proceedings, than our neighbouring authorities such cases are continuing to rise, increasing from 107 in 2015/16 to a projected figure of 140 for 2016/17.
- A number of solutions to try and mitigate the above pressures are being implemented, and developments include the introduction of an 'edge of care' model through the reconfiguration of Argosy children's home; the model this is based upon has been used in Blackburn and has created savings of £750,000 per year for that authority. The development of the Vulnerable Adolescent Hub is also underway, which will enable us to work more effectively with young people to prevent the need for higher level service interventions. A detailed project plan is in place, and the Council's Internal Audit department are currently reviewing the governance and due diligence in relation to statutory work. The financial impact assessment is ongoing.
- A re-modelling of the Council's Early Help offer is being considered based on a model that has been effectively implemented in Leeds and has led to a significant reduction in numbers for that authority. The Leeds model delivers a rapid response service using Early Help staff which has helped to reduce the levels of need for Social Care. This approach would require partners (and especially schools) to deliver an increased offer at Level 2 and 3, and would also involve a re-modelling of the Authority's Children's Centre offer (including Better Start delivery), plus a revision of the threshold document and re-development of the Early Help assessment process. Therefore, all of the above has been subject to a summit on behalf of the Safeguarding Board and a Local Government Association (LGA)-led challenge session.
- A report considering the scope and financial impact of the PAUSE project, which looks at reducing multiple removals of children at birth from families, was published in January 2017. If the project is implemented, the financial savings have been modelled and are substantial.
- Now that the division's internal residential reviews are nearing completion, a refocus of the Children's Commissioning team has commenced, with a dedicated officer working on proactive market management and development in an attempt to drive down placement costs.

- A new system has been introduced from February 2017, whereby all new admissions into the care system must be approved by the Social Care Senior Service Manager. In addition, the Independent Placement Overview panel has increased its meetings from fortnightly to weekly from February 2017, and a fortnightly meeting to be chaired by the Interim Director of Children's Services will take place in order to scrutinise and challenge the costs of the most expensive external placements, and review the options for stepping children down into more affordable provision.

Education Services Grant

- From April 2013, the education functions provided by local authorities have been funded from the Education Services Grant (ESG). The Council receives £77 per pupil in relation to the pupils in schools maintained by the authority plus £15 for each pupil in all schools and academies in respect of responsibilities retained for every pupil within our boundary. A shortfall in grant of £83k is included in the forecast overspend, relating to the anticipated loss of funding due to in-year academy conversions.

Summary of the Children's Services financial position

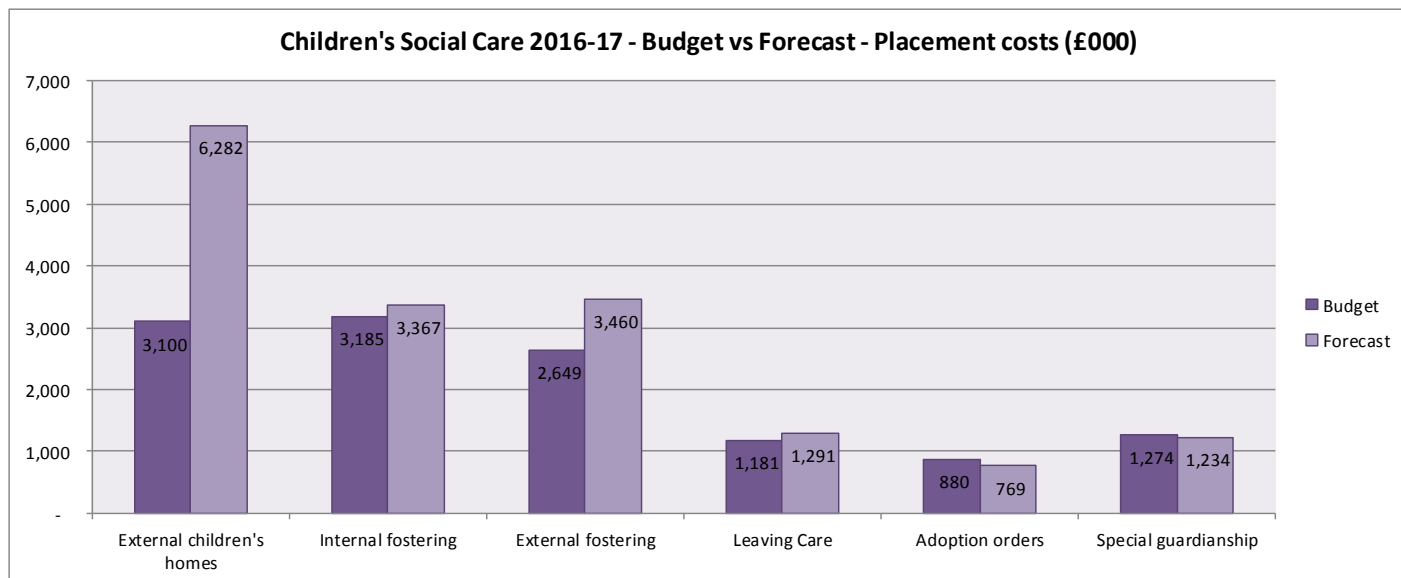
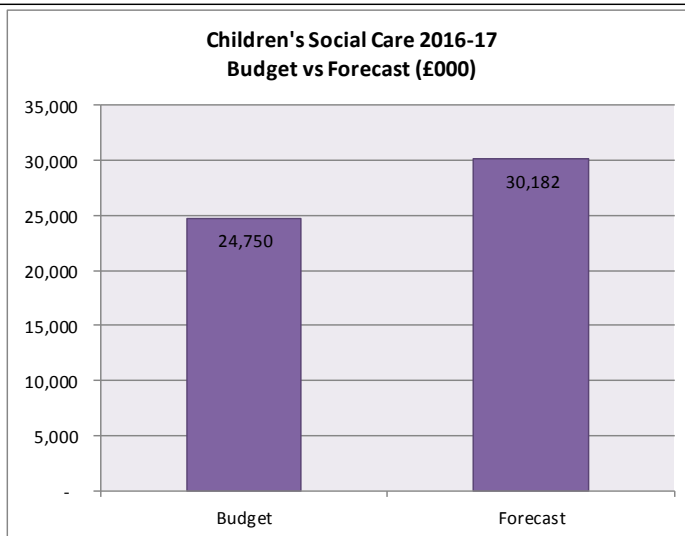
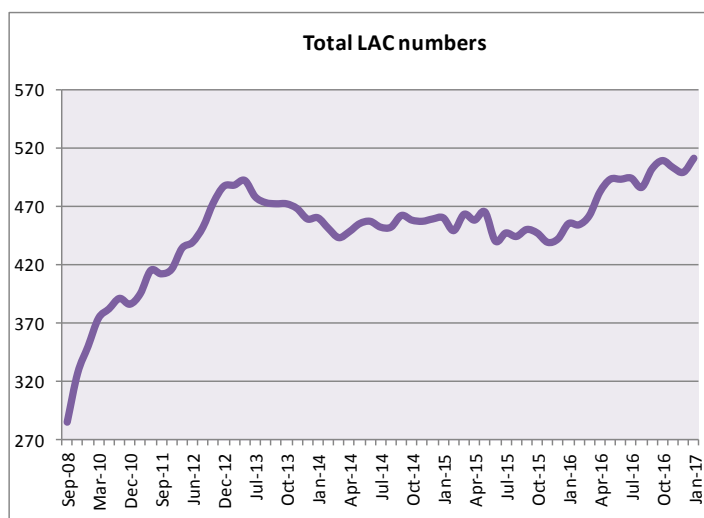
As at the end of January 2017 the Children's Services Directorate is forecasting an overspend of £5.186m for the financial year to March 2017.

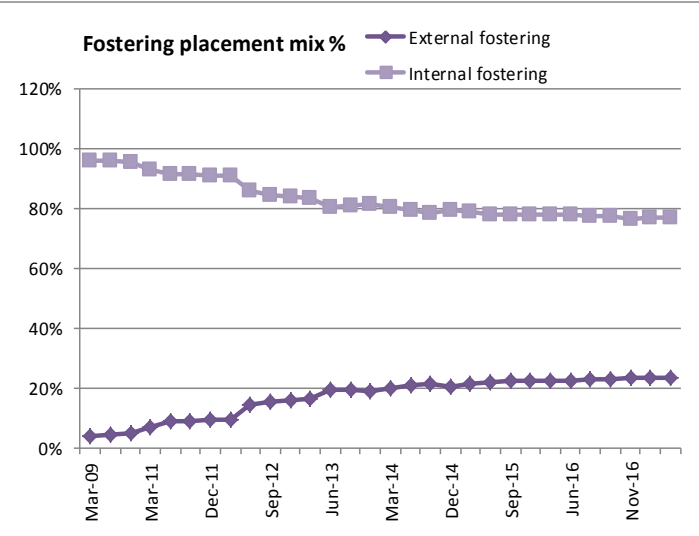
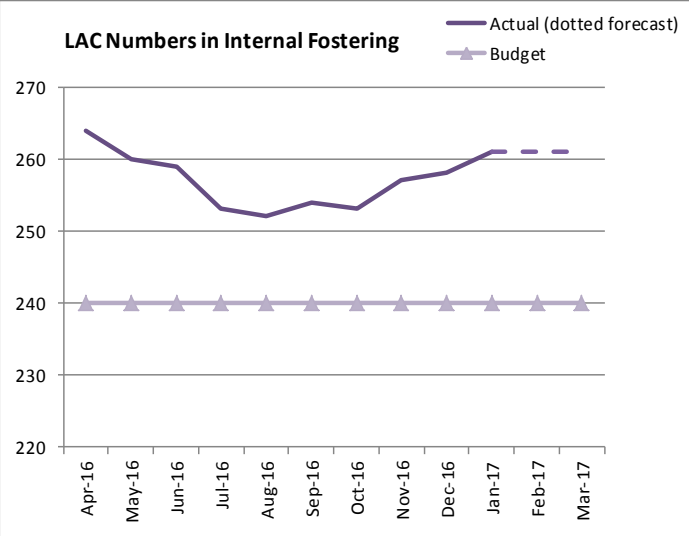
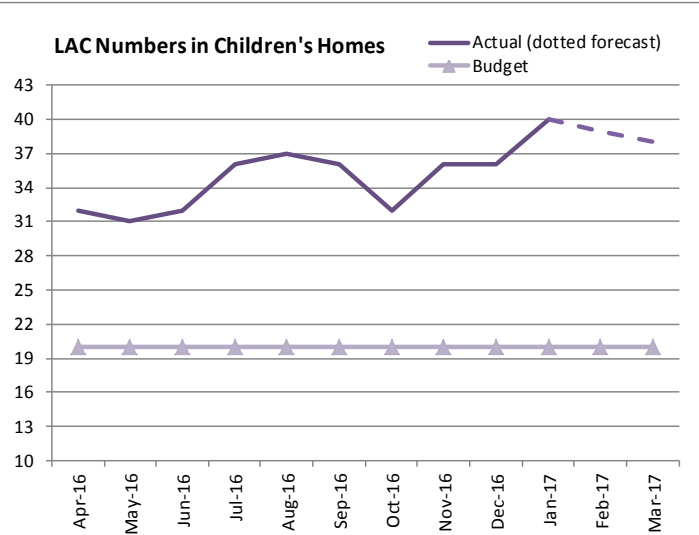
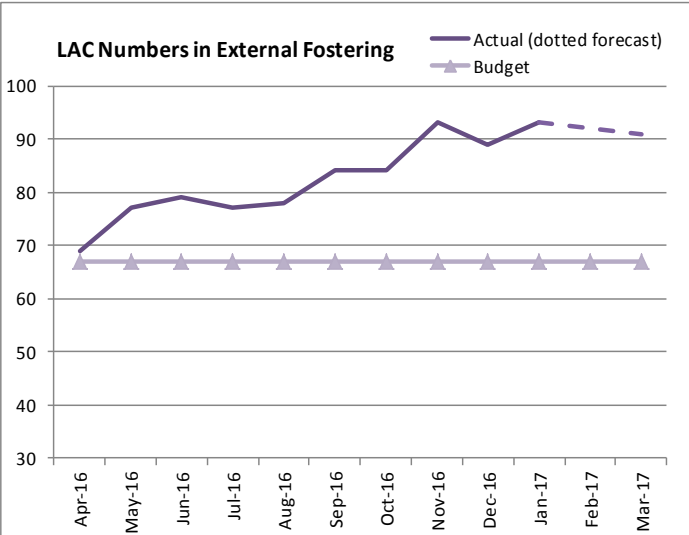
Budget Holder – Ms G Martins, Interim Director of Children's Services

Children's Social Care Trends

Date	External Placements Projection						Total			Internal Fostering Projection			Total LAC Numbers
	Fostering			Residential						FTE	£000's	£ per placement	
	FTE	£000's	£ per placement	FTE	£000's	£ per placement	FTE	£000's	£ per placement	FTE	£000's	£ per placement	No.
Mar-11	22.69	860	37,912	36.73	3,536	96,272	59.42	4,396	73,983	303.23	3,329	10,977	395
Jun-11	29.54	1,108	37,508	33.62	3,430	102,023	63.16	4,538	71,849	303.23	3,329	10,977	395
Sep-11	30.35	1,129	37,191	33.90	3,457	101,982	64.25	4,586	71,376	316.95	3,527	11,128	412
Dec-11	31.91	1,184	37,118	35.16	3,580	101,808	67.07	4,764	71,031	312.85	3,496	11,175	416
Mar-12	32.68	1,223	37,424	34.27	3,488	101,780	66.95	4,711	70,366	315.07	3,507	11,131	434
Jun-12	49.27	1,816	36,858	36.47	3,710	101,727	85.07	5,526	64,958	296.18	3,480	11,750	439
Sep-12	53.37	1,903	35,657	36.70	4,264	116,185	90.07	6,167	68,469	290.42	3,345	11,518	452
Dec-12	55.80	1,987	35,611	38.08	4,498	118,121	93.88	6,485	69,080	290.55	3,372	11,606	487
Mar-13	57.36	2,028	35,355	38.89	4,645	119,447	96.25	6,673	69,330	291.27	3,377	11,594	488
Jun-13	71.93	2,604	36,202	30.01	3,349	111,596	101.94	5,953	58,400	298.00	3,542	11,887	492
Sep-13	70.51	2,515	35,667	29.05	3,240	111,523	99.56	5,754	57,801	293.58	3,496	11,908	472
Dec-13	68.22	2,494	36,560	29.02	3,398	117,073	97.24	5,892	60,592	292.11	3,455	11,828	459
Mar-14	72.82	2,480	34,058	29.76	3,525	118,473	102.57	6,005	58,547	295.49	3,474	11,757	443
Jun-14	70.35	2,527	35,928	24.74	2,537	102,561	95.09	5,065	53,265	266.65	3,422	12,833	457
Sep-14	69.41	2,614	37,655	23.09	2,799	121,210	92.50	5,412	58,513	258.39	3,248	12,570	462
Dec-14	68.73	2,664	38,760	23.09	2,870	124,281	91.83	5,534	60,268	265.56	3,313	12,474	459
Mar-15	71.13	2,856	40,155	23.23	2,993	128,868	94.36	5,850	61,992	262.93	3,253	12,374	463
Jun-15	71.30	2,896	40,625	22.02	3,254	147,777	93.32	6,150	65,909	250.74	3,144	12,541	440
Sep-15	71.48	2,862	40,040	26.39	3,772	142,934	97.87	6,634	67,785	251.13	3,151	12,549	450
Dec-15	71.41	2,945	41,243	26.60	3,862	145,196	98.00	6,807	69,455	250.66	3,115	12,428	442
Mar-16	72.39	3,056	42,215	27.09	3,958	146,120	99.48	7,014	70,512	250.97	3,125	12,453	462
Jun-16	73.79	3,110	42,145	25.62	4,025	157,136	99.41	7,135	71,778	256.45	3,239	12,630	493
Sep-16	75.24	3,216	42,750	31.40	5,337	169,996	106.64	8,554	80,216	255.78	3,245	12,688	502
Dec-16	78.60	3,383	43,038	34.41	6,055	175,954	113.01	9,438	83,513	258.78	3,327	12,857	499
Jan-17	80.00	3,460	43,253	35.03	6,282	179,328	115.03	9,742	84,691	262.15	3,367	12,844	511

Note:
The variance between the current total number of Looked After Children (511) and the total internal fostering and external placement numbers (377) is children with care orders, adoption placements etc. They are still classed as LAC but do not incur any commissioned costs.





Placement Mix

